A New Vision for the USAID-U.S. NGO Relationship

Recommendations & Actions

Partnering with U.S. nongovernmental organizations (NGOs) should be a key part of USAID’s strategy for promoting effective global development. USAID should continue to explore ways to leverage this relationship as it implements reforms going forward. To accelerate and broaden the impact of development work, the strategic relationship between U.S. NGOs and USAID must be strengthened. U.S. NGOs bring a range of important and unique assets to development practice; these are increasingly relevant today as USAID tries to reform its practices to deliver better results and to leverage other resources. NGOs have accumulated knowledge, experience and social capital that can contribute significantly to reaching shared development goals.

The following recommendations are the focus of ongoing discussions with USAID and would form the basis of a renewed USAID-U.S. NGO partnership to increase development effectiveness:

- **Continue to engage in regular, substantive policy dialogue.** In order to allow for U.S. NGOs to contribute to USAID policies, USAID should establish a high-level consultative mechanism for ongoing strategic discussions with the NGO community.

- **Develop a USAID-U.S. NGO engagement strategy.** USAID should develop a strategy that identifies all of the areas of potential collaboration and leveraging between our two sectors. This would range from a traditional implementing partner role to several other forms of collaboration and could be modeled after AusAid’s new Civil Society Engagement Framework.

- **Maximize opportunities for field collaboration.** USAID should continue to engage U.S. NGOs as counterparts with expertise that qualifies them to participate in effective capacity building, program design, implementation and monitoring. USAID should appropriately include greater flexibility in grants, increase the transparency of procurements, and rebalance its solicitation stream (inside and outside its local procurement target) to take advantage of U.S. NGOs’ field-based experience.

- **Ensure donor alignment.** Consistent with international aid effectiveness principles, USAID should optimize available development resources by partnering with NGOs to take advantage of the $14 billion in private resources that they invest abroad each year.1 U.S. NGOs’ resources and their local organizational capacity should be leveraged through a new NGO-specific partnership initiative which could be modeled on USAID’s Global Development Alliance initiative for public-private partnerships.

Results

Strengthening the relationship between USAID and U.S. NGOs will allow USAID to leverage the resources and expertise of U.S. NGOs, increasing the impact of U.S. foreign assistance and leading to better development outcomes.
Background

Since the 4th High Level Forum on Aid Effectiveness in Busan, South Korea, the international aid community has been adapting to a new era of development cooperation: an era guided by the 2005 Paris Principles, but taken to a new level of inclusive, democratized development involving many new partners. Most U.S.-based international NGOs not only support these changes, they actively championed these reforms.

For USAID, this new era offers the promise of more sustainable strategies for overcoming poverty, yet it must succeed in a climate of severe budget constraints and competing demands for scarce public resources. Continuing political support for official development assistance is tenuous. There are serious risks if not enough attention is paid to accountability and risk management of taxpayer resources.

We have learned the hard way that there are no shortcuts to effective results. Development cannot happen without a capable government. It will not be sustainable without the job creation of the private sector. And it will not be inclusive without an engaged and empowered populace, particularly women, organized by civil society. Only by mobilizing, leveraging and coordinating all of these actors can we address complex development challenges.

The added value of U.S. NGOs

USAID recognizes that U.S. NGOs bring to the table a range of unique assets to development practice, which are relevant for today’s rapidly evolving results-based, multi-stakeholder development ecosystem. NGOs have accumulated knowledge, experience and social capital that can contribute very significantly to reaching development goals both sectors share. These assets include:

- **Established partnerships with local populations** – U.S. NGOs have worked with local communities, civil society and private sector implementing partners for decades. In most countries, more than 90 percent of NGO staff are local nationals.
- **Global reach** – U.S. NGOs work in every developing country, including areas where USAID has no presence. In places like Somalia, remote camps in Darfur or insecure villages in Afghanistan, NGOs work in regions that lie beyond the reach of U.S. government staff.
- **Support and resources from the American people** – In 2009, InterAction members raised $8.3 billion from private sources of funding, to complement $3 billion in U.S. government support.¹ There is great potential to leverage these investments and enhance the impact of official U.S. assistance.
- **Innovation and best practices** – U.S. NGOs consistently focus on applying best practices and incubating innovations, both through research – often in partnership with foundations – and experimentation in the field.
- **Proven expertise in capacity building** – U.S. NGOs operate in partnership with local community organizations, NGOs and private sector organizations. U.S. NGOs can be a key partner in building the readiness of local organizations to engage directly with donors, and in bolstering their ability to deliver development results.

Renewing a changing relationship

InterAction and its membership are concerned that the partnership between USAID and the U.S. NGO community has eroded in recent years and although positive steps have been taken, it is at risk even as a shifting aid environment, federal budget challenges, and new approaches to development make it more crucial than ever to have strong collaboration on all sides.

The concerns about the nature of the U.S. NGO-USAID partnership are manifested in several ways:

- **A lack of consistent strategic policy engagement** – USAID’s policy engagement with NGOs in recent years has been inconsistent. We welcome efforts to include NGOs in dialogue before a new policy has been reached.
- **A shift from a partnership framework to a control focus** – Some USAID field missions increasingly view U.S. NGOs as implementers to be controlled rather than partners with expertise and experience in their own right.
- **Past rhetoric casting NGOs as costly middlemen rather than valued partners** – It is important that USAID continues its shift away from language that reduces U.S. NGOs to “costly implementers.” This reflects a limited understanding of our role and potential – NGOs are donors, thought leaders and practitioners.

Toward a shared new vision of development

In the spirit of Paris and Busan, it is crucial that USAID join U.S. NGOs in creating a new partnership. Partnering with U.S. NGOs should be a key part of USAID’s strategy for promoting effective global development.

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² For more information on this topic, see the Policy Paper from InterAction’s CEO Taskforce on Aid Reform and Effectiveness “A New Vision for the USAID-U.S. NGO Relationship: Partnering for Effective Development,” available online at http://www.interaction.org/document/new-vision-usaid-us-ngo-relationship-partnering-effective-development.

³ Estimate based on InterAction members’ 2009 IRS Form 990s.
InterAction CEO Task Force on Aid Reform and Effectiveness
ActionAid International USA
Adeso
Alliance for Peacebuilding
American Jewish World Service
American Red Cross International Services
Basic Education Coalition (BEC)
Bread for the World
CARE
Catholic Relief Services
Centre for Development and Population Activities (CEDPA)
ChildFund International
Church World Service
CONCERN Worldwide U.S., Inc.
Counterpart International
Global Communities
Helen Keller International
Heifer International
The Hunger Project
InsideNGO
International Center for Not-for-Profit Law
International Foundation for Electoral Systems (IFES)

International Medical Corps
International Relief & Development
International Rescue Committee (IRC)
Lutheran World Relief
Management Sciences for Health (MSH)
Mercy Corps
Oxfam America
Pact
Pan American Development Foundation
PATH
Pathfinder International
Plan International USA
Relief International
RESULTS
Save the Children
Solidarity Center
Transparency International USA
United States International Council on Disabilities (USICD)
Winrock International
Women Thrive Worldwide
World Learning
World Wildlife Fund
World Vision